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ABSTRACT

This pamphlet from the Children's Foundation, in both English- and Spanish-language versions, provides advice to child care providers on record-keeping methods. The pamphlet also gives definitions and guidance on business expenses (100% deductible, shared personal and business, and depreciated capital expenses), time-space formula, self-employment tax, estimated tax, health insurance tax credit, dependent care provider's identification and certification, earned income tax credit, and state and local taxes. The guide includes a list of tax forms and resources for family child care businesses. The final section of the guide is intended to help family child care workers determine whether they are employees or independent contractors. (MT)

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TAX AND RECORD KEEPING INFORMATION FOR FAMILY CHILD CARE

KEEPING ACCURATE RECORDS - What and Why?

- You are a self-employed business person providing the service of family child care. The IRS expects that, as a small business, you will keep accurate records of all transactions related to the business.

- Parents may ask for, and are entitled to, an accounting of their payments to you in order to take the child care tax credit on their tax return. [They are required to report your social security or tax identification number.]

- Your records of income and attendance, as well as your business expenses, are the documentation for your business in each year. Good records prevent problems later on and are necessary for you to be able to complete Federal and State tax forms. These records must be maintained for at least 3 years.

DEFINITIONS:

Income: Any money that comes into your business such as payments from parents, what agencies/systems pay you to care for children, and family child care consulting services.

Reimbursements: USDA Child Care Food Program (CCFP) money; it must be deducted from overall food expenses.

Expenses: Money that is paid out of the business--the costs of doing business. These may be **direct** and **indirect or shared** expenses.

Net Profit/Loss: This is the difference when you subtract your expenses from the income. This is the figure on which your self-employment tax obligation is calculated. It is the figure on which your Federal and State income tax obligation is calculated if file individually, and the figure which is added to your spouse's income if you file a joint tax return. IRS Schedules C, 8829, and 4562 must be completed.

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WHAT IS NEEDED TO GET STARTED?

- o A calculator is helpful to make record keeping easier and more accurate.

- o A file or envelopes for separating receipts by category. **Save all receipts,** even the smallest ones - and write on the back what the expense is for later reference. A cancelled check from a business account is usually considered a receipt, **but an actual receipt is the best.** If you forget to get one, or none is given (such as at a garage sale), make up your own and date it.

- o Children's attendance records and menu forms should be kept daily; this validates your income and your business. A contract between you and the parent is further documentation.

- o A record keeping ledger specifically for family child care. You can record all necessary information in one place for easy access. Several are available commercially, OR you can create your own. This should be done **at least weekly.**

BUSINESS EXPENSES - Three Categories:

A. **100% Business Deductible** - money spent on items that last less than 1 year and/or cost less than $100 which are bought **only** for use in the family child care business. This is a called a **direct expense.**

B. **Shared Personal and Business** - money spent on items which are used in both your family child care business and your own household; **indirect or shared expense.**

C. **Depreciated Capital Expenses** - can either be **direct or indirect,** but cost more than $100 and have a useful life of more than 1 year.

A. Direct - 100% Deductible

Advertising: newspaper ads, t-shirts, buttons, fliers, business cards, bumper stickers, tote bags, answering services, etc.

Bank Service Charges: all charges if you use the account only for your business. If you write some business checks from your personal account, take that percentage of the charges that represent the business portion.

Child Care Expenses: any child care you incur for your own children while attending conferences, meetings or training.

Education: any classes or training to improve your skills in running your family child care business or caring for the children **except** training required by your state as a part of registration or licensing.

Food: any food you serve to the children. Best way of record keeping is to buy that food separately from your own and keep all store receipts or cancelled checks. Keep copies of menus which show what meals and snacks you served and

to how many children. Mark your grocery receipt by item "child care," "shared" or "personal." Providers are entitled to deduct the cost of all food served to children in their business (except the provider's own children unless they are on the CCFP) regardless of how much they receive in reimbursement from CCFP. You can also deduct 80% of cost of food served to employees.

Insurance: family child care liability or accident policy, or cost of a child care rider on your homeowner policy.

Interest: on credit card or bank loan purchases where items are only for the day care business.

Legal and Professional Fees: family child care and other early childhood education associations dues, cost of record keeping book, medical exam required by state, finger printing, child abuse clearance or state police clearance fees, any other legal fees pertaining to your business, and costs related to FCC Accreditation or FCC CDA.

Mileage: trips to grocery store, transporting children, attending training or FCC meetings, field trips, etc. (Compute at 31 cents/mile X number of trips X number of miles.) This percentage is for the first 15,000 business miles; it is 12 cents a mile thereafter. Keep a mileage log of these trips.

Office Supplies/Equipment: fax machine, calculator, pens, paper, envelopes, copying.

Outside labor/staff: See Attachment.

Publications: subscriptions to magazines [such as Parents, Sesame Street, The CF Child Care Bulletin, Early Childhood Today, Consumer Reports, or National Geographic, or children's book and book or video club].

Repairs: something broken as a direct result of an action by a child care child or anything strictly used for business that requires repair.

Supplies: household or kitchen items used exclusively for the business such as paper products, outlet covers, safety caps; also supplies used with the children such as paper, crayons, video and audio tapes, diapers, nap mats, toys, etc; also curricula such as Mrs Greene's Kapers for Kids or Home Preschool Program.

Telephone: long distance or toll calls related to the business; also call waiting--**not any portion of basic phone bill**; however, full costs if you have a second and totally separate business phone line.

Toys and Equipment: items purchased only for your child care business; also such things a smoke detectors, camera, fire extinguisher, first aid kit, educational computer software, baby monitor.

Travel and Promotion: field trips with the children, parties for the children, presents for the children or their parents up to $25.00; expenses incurred while participating in child care conferences---travel & hotel costs, as well as registration fees, and meals.

B. Shared Personal and Business - Indirect:

The Time-Space Formula, as calculated in IRS Form 8829, determines the percentage of the business deduction for these expenses:

Gas or Fuel Oil	Electric Bill
Exterminator	Trash Collection
Water Bill	Homeowner Insurance
Carpet/Furniture Cleaning	Cable Fees
Mortgage Interest or Rent	General Home Repairs
Personal Property Taxes	Real Estate Taxes
Household Products	

C. Capital Expenditures - Direct or Indirect:

Items must be depreciated or expensed using specifications on IRS Schedule 4562, then deducted as either direct or indirect - examples: fence, large yard swing or climber, refrigerator, microwave, stove, TV, VCR, typewriter, washer, dryer, furniture, water heater, and furnace. [Your total from Form 4562 is then entered on line 13 of the Schedule C].

Computers and vehicles require special documentation. You must log in the time of usage by the child care business. These items must be used more than 50% of the time for your business in order to deduct them.

Depreciating Your Home: You must complete part III of IRS Schedule 8829 and depreciate your home, and all capital expenditures to it (such as windows, roof, deck). (Deciding whether or not to depreciate your home is not an option.)

TIME SPACE FORMULA - Use IRS Schedule 8829
Expenses for Business Use of Your Home

Calculate the amount of time you spend doing family child care. Be sure to take into consideration preparation time in the morning, clean up time in the evening, interviewing and record keeping time. SAMPLE:

> You get up at 6 AM, first child arrives at 7 AM, last child leaves at 6 PM, you spend another hour doing clean up and record keeping during the evening. Your home is open 5 days a week or 13 hours a day X 5 days.
>
> 65 business hours = 39% of your time
> 168 hours/week

Calculate the amount of space you use in your home for child care by measuring square footage of that space or the number of rooms. Many family child care providers use their whole house. Be sure to account for storage space, nap space, or record keeping space. [If you use a garage, you may not count that unless it is part of the house structure.]

1500 sq. ft. used for child care = 75% of space
2000 sq. ft. total in home

Finally— Time (39%) X Space (75%) = .75 X .39 = .29 or 29% [That is the percentage (in this example--29%) that you apply to all shared or indirect expenses. This percentage will be different from provider to provider and may differ from year to year with the same provider.]

SELF EMPLOYMENT TAX

Self-employment tax is the same as social security tax to the salaried employee. If you have a **net profit** of more than $400 from your family child care business (as shown on IRS Schedule C), you are required to pay self-employment tax. The percentage changes annually. Consult the IRS tax instruction booklet. Self-employment tax is calculated on IRS Form SE, and shown on IRS Schedule 1040, you must attach Schedule SE. ***NOTE: Self-employed workers can deduct half of the amount of their self-employment tax from their income as an adjustment to income.***

ESTIMATED TAXES

If both you and your spouse are self employed, or if you are a single head of household, the IRS expects you to prepay your Federal taxes quarterly. Just as a salaried employee has taxes withheld from the paycheck, a self-employed person must prepay some of the tax that will be owed, using Schedule 1040 ES and filed April 15, June 15, September 15, and January 15.

When your spouse is salaried, and you estimate you will owe more than $500 in taxes at the time you file your return, family child care providers must file estimated on a quarterly basis to compensate. If you expect a refund, or will owe less than $500, the provider does not need to file quarterly. A third option is to adjust the amount withheld from your spouse's wages.

If you are required to file estimated taxes, you do not have to do this until your second year in business.

HEALTH INSURANCE TAX CREDIT

Self-employed persons who pay for their own health insurance coverage, may deduct a percentage of that cost as a tax credit on IRS Form 1040. The 1995 credit was 25%; 1996 proposed amount is 40%.

DEPENDENT CARE PROVIDER'S IDENTIFICATION AND CERTIFICATION

Parents who wish to claim a child care tax credit on their income tax form will ask you to fill this out IRS Schedule W-10 and sign it. You must comply or be subject to a $50 fine. This requires your name, address, social security or tax ID number, amount paid to you by that parent, and your signature.

YOU should fill out this form, <u>not the parent</u>, and make a copy for your files before returning it to that parent.

EARNED INCOME TAX CREDIT (EIC)

Single or married people who worked full or part time at some point in 1996 can qualify for EIC, depending on their income. Workers who were raising one child in their home and had a family income of less than $25,078 in 1996 can get an EIC of up to $2,152. Workers who were raising more than one child in their home and had a family income of less than $28,495 in 1996 can get an EIC of up to $3,556. Workers who were not raising children in their home, but were between the ages of 25 and 64 on December 31, 1996, and had an income below $9,500 can get an EIC of up to $323.

<u>Qualifying children include</u>: sons, daughters, step-children, grandchildren and adopted children as long as they lived with the taxpayer for more than half the year. Nieces, nephews, children of a friend, or foster children can be qualifying children if they lived with the taxpayer all year and were cared for as family members. Qualifying children must be under age 19, or under age 24, if they are full-time students. Totally and permanently disabled children of any age are also qualifying children.

<u>Even if you don't owe taxes</u>, you may be eligible for a refund check simply by claiming the credit. In general, the lower your income, the higher your credit. You must fill out Form EIC and attach it to your IRS 1040, or 1040A.

STATE AND LOCAL TAXES

You are obligated to file State tax forms if your state has an income tax. Some Federal forms may be duplicated (such as Schedule C, 8829, and 4562) and attached to the state income tax form in lieu of using similar forms from your state. In some states you may also be responsible for paying personal property taxes and/or a business occupancy tax.

TAX FORMS AND PUBLICATIONS FOR YOUR FAMILY CHILD CARE BUSINESS

Schedule C - Profit or (Loss) from Business - [Do not use new form C-EZ. This is for taxpayers who have no house, car or any personal property depreciation expenses.]

Schedule SE - Social Security Self-Employment Tax

Schedule 4562 - Depreciation and Amortization

Schedule 8829 - Expenses for Business Use of Your Home

Schedule W-10 - Dependent Care Providers Certification

Schedule 1040 - US Individual Income Tax Return

Schedule A - Itemized Personal Deductions to accompany Schedule 1040

Schedule EIC - Earned Income Tax Credit

Schedule 1040X - Amended US Individual Tax Return

Schedule 1040ES - Estimated Tax for Individuals

Publication 587 - Business Use of Your Home

Publication 334 - Tax Guide for Small Business

State Income Tax - Individual State Forms

RESOURCES:

For more in-depth information and answers to specific questions, we recommend you refer to the following publications.

(1) The 1997 Calendar Keeper, Red Leaf Press, call 1-800-423-8309.

(2) Basic Guide to Family Day Care Record Keeping, and Family Day Care Tax Workbook, (Current Editions) Tom Copeland, Red Leaf Press, 1-800-423-8309.

(3) Contracts and Policies: How to Be Businesslike in a Caring Profession, Tom Copeland, Red Leaf Press, 1-800-423-8309.

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January 1997

EMPLOYEE VS. INDEPENDENT CONTRACTOR

[Sandra Gellert, FCC Tax Consultant]

At this time of year when family child care providers (as well as others) are preparing to file their income tax returns, the issue of "employee vs. independent contractor" is a concern. How do you know which category your worker fits in?

For employees, you must pay Social Security and Medicare taxes, unemployment insurance and workers' compensation insurance. Other benefits may have to be provided. Taxes must be withheld from the employee's pay.

For independent contractors, they pay their own self-employment taxes. Taxes are not withheld from their pay. If you pay an individual contractor $600 or more in one year, you must provide them with a Form 1099-MISC and file a copy with the IRS.

The IRS uses a 20-factor test to determine whether a worker is an employee or independent contractor. The factors look at your rights to control what work is done and how the work is done. The more control you exert, the more likely the IRS will consider the individual an employee. Some that are particularly applicable for family child care providers in determining when an individual is an employee are:

*** Worker is required to comply with your instructions about when, where, and how s/he is to work.

*** Worker's services are important to the success or continuation of the business.

*** Worker must provide the services personally.

*** You hire, supervise and pay any worker's assistant(s).

*** You maintain a continuing, even if irregular, relationship with the worker.

*** You set the worker's schedule.

*** Worker's services are required full time.

*** Work is done on your premises.

*** You set the order and sequence in which the work must be performed.

*** You pay by the hour, week or month.

*** You furnish the worker with tools, equipment and/or materials.

*** Worker does not work for anyone else.

*** You can terminate the worker for reasons other than failing to meet contract specifications.

*** Worker can end his/her relationship with you at any time without incurring liability.

[Summarized from information provided by W. Kent Feddeman, CPA, Managing Director of Feddeman & Company, Alexandria, VA]

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INFORMACION SOBRE LOS IMPUESTOS Y LA DOCUMENTACION PARA EL CUIDADO INFANTIL EN EL HOGAR

MANTANER ARCHIVOS EXACTOS - Que y Porque

- Usted es una persona que se emplea a si misma que provee cuidado infantil. El IRS espera, como un negocio pequeno, que mantenga registros exactos de todas las transacciones del negocio.

- Los padres pueden pedir, y tienen derecho a esperar, una explicacion por escrito de todo de lo que le han pagado para que ellos pueden tomar el credito para cuidado infantil en su formulario de impuestos. [Se requiere que ellos reporten el numero de seguro social o de la identificacion de su p proveedor de cuidado infantil para los impuestos, El Formulario W-10, Certificacion de Proveedores de Cuidado Dependiente.]

- Sus registros de igresos y asistencia, tanto como sus gastos de negocio, constituyen la documentacion de su negocio para cada ano. Archivos exactos evitan problemas mas tarde y son necesarios para completar los formularios de impuestos federales y estatales. Hay que mantener los archivos por un minimo de tres anos.

INGRESO: Cualquier dinero que le viene a su negocio, como el pago de los padres, de una agencia para su servicio de cuidado infantil, de servicios de consulta, y del Programa de Alimentacion para Los Ninos y Adultos (CACFP). (Aunque el dinero de CACFP es **un reembolso**, hay que mantener un registro de los pagos y deducirlos de su total de gastos para comida.)

GASTO: El dinero que se paga de negocio - el costo de estar en el negocio. Estos gastos pueden ser **directos e indirectos o compartidos.**

GANANCIA/PERDIDA NETA: Estos es la diferencia despues de restar los gastos de los ingresos. Es la cantidad que se usa para calcular sus impuestos de auto-empleo. Es la cantidad que se usa para calcular sus impuestos estatales y federales si somete sus impuestos sola, o la cual se anada a los ingresos de su esposo si someten un formulario de impuestos junctos.

Hay que completar Formulario C y Formulario 8829 de IRS.
[No use Formulario C-EZ]

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QUE NECESITA PARA COMENZAR?

(1) Una calculador es util para hacer mas facil y exacto el trabajo.

(2) Un archivo o sobres para separar los recibos por categoria. Mantenga todos sus recibos---uan los mas pquenos---y escriba al respaldo el motivo por el gasto para que pueda identificario mas tarde. Un cheque cancelado de su negocio puede considerarse como un recibo, pero un recibo actual es mejor. Si se le olvida conseguir uno, o no le dan uno, prepare su propio recibo con la fecha.

(3) Los menus y registros de asistencia de los ninos deben mantenerse diariamente; esto valida los ingresos y su negocio. Un contrato entre usted y los pardes es mas documentacion.

(4) Un libro mayor especificamente para mantener los gastos y ingresos de su negocio es una buena idea. Puede registrar toda la informacion necesaria en un lugar para facil acceso. Se debe mantener **por lo menos semanalmente.**

LOS GASTOS DEL NEGOCIO:

Los Gastos Que Se Pueden Deducir 100% - dinero usado para cosas que duran menos de un ano y/o cuesten menos de $100 y se compran **solamente** para uso en su negocio de cuidado infantil. Esto se llama un **gasto directo.**

Compartido Para Uso Personal y Del Negocio - dinero usado para cosas que se usan para su familia y para su negocio de cuidado infantil: gasto **indirecto o compartido.**

Los Gastos Capitales Depreciados - pueden ser director o **indirecto**, pero cuestan mas de $100 y tienen una vida util de mas de un ano.

A. Directo - Se Pueden Deducirlos 100%

Los Anuncios: avisos en el periodico, camisetas, botones, boletines o hojas volantes, tarjetas de negocio, calcomanias, bolsitas, servicios de contestacion para el telefono, etc.

Los Cargos Para Los Servicios Del Banco: todos puede deducir si usa la cuenta solamente para su negocio. Si escribe algunos cheques de negocio desde su cuenta personal, deduzca el porcentaje que representa la porcion de su negocio.

Los Gastos De Cuidado Infantil: cualquier cuidado que se paga para sus propios ninos minetras que participe en conferencias, reuniones, o capacitacion profesional.

Educacion: cualquier clase or capacitacion para mejorar sus destrezas de manejar el negocio de cuidado infantil o de cuidar a los ninos de su negocio con la excepcion de capacitacion requerida por su estado como parte de su registro o licencia.

Comida: cualquier comida que les sirve a los ninos. La major manera de anotar los gastos es de separar la compra de comida para el negocio de la comida para su familia y manetener todos los recibos de la comida para el negocio. Mantenga copias de los menus que muestran cuales comidas y meriendas sirvio a cuantos ninos. Marque el recibo "cuidado infantil," "compartido," o "personal." Proveedoras de cuidado infantil pueden deducir el costo entero de la comida servida a los ninos bajor su cuido (excepto a sus propios ninos a menos que participen en el CACFP) no importando la cantidad del reembolso de CACFP. Tambien, puede deducir 80% del coso de la comida servida a los empleados de su negocio.

Seguro: poliza de seguro para accidentes o riesgo en su negocio, o el costo del anexo para su negocio en la poliza de su casa.

Interes: de tarjetas de credito o prestamos del banco cuando se usan para comprar cosas exclusivamente para uso en su negocio.

Gasto y Cuotas Legales y Profesionales: pagos de asociacion en una organizacion de cuidado infantil o de desarrollo del nino, mantener los documentos y sus archivos, un examen fisico requerido por el estado, tomar las impresiones digitales, tazas para investigaciones de la policia o del abuso infantil, cualquier otra taza legal en conexion con su negocio; el costo de Acreditacion o CDA.

Subsidio De Transporte: al supermercado, para el transporte de los ninos, asistir capacitacion o reuniones de su negocio, viajes de educacion para los ninos, etc. (Calcule 31 centavos/milla por el numero de viajes por el numero de millas.) Esta tasa aplica a los primeros 15,000 millas de negocio; despues, es 12 centavos por milla. Mantenga un registro de estos viajes.

Equipo/Provisiones De Oficina: calculadora, plumas, papel, sobres, fotocopias.

Empleados/Personal: cualquier persona que trabaja en su negocio. Tiene que retener los impuestos apropiados y de seguro social. Tambrien se puede deducir pagos para un trabajador bajor contrato, tal como un carpintero renovado un cuarto de juego para su negocio.

Publicaciones: abonos a revistas, tales como Parents, Sesame Street, Early Childhood Today Magazine, Consumer Reports, o National Geographic, o un club de vidoes or libros para ninos.

Reparos: algo quebrado como un resultado directo de un nino bajo su cuido o algo quebrado que solamente es para uso en su negocio.

Provisiones: cosas de la casa o cocina solamente para uso en su negocio tales como productos de papel, cubiertos para los enchufes, tapas de seguridad; tambien, provisiones para los ninos como papel, crayolas, cintas y videos, panales, colchoneta para siestas, juguestes; also tambien, planes de estudio tal como "Mrs. Greene's Kapers for Kids" o "Home Preschool School."

Telefono: llamadas de larga distincia para su negocio; tambien, "call waiting" -- pero ninguna porcion de los costos basico; todo el costo si tiene una linea aparte para uso en su negocio.

Juguetes y Equipo: los que se compran solamente para uso en su negocio de cuidado infantil; tambien, cosas tales como detectores de humo, una camara fotografica, extinguidores de incendio, cajita de primeros auxilios, programas de computacion educacionales.

Viajes y Promocion: viajes de educacion con los ninos, fiestas para los ninos, regalitos para los ninos o sus padres con valor menos de $25; gastos para conferencias de cuidado infantil---el viaje y hotel, ademas la taza de matriculacion.

B. Los Gastos Compartidos, Para Uso Personal y Del Negocio - Indirectos:

La Formula Tiempo-Espacio (vea a continuacion) determina el porcentaje de la rebaja para los gastos listados (El Formulario 8829 del IRS):

Gas o Aceite para el Sistema de Calefaccion
Servicio de Exterminio de Insectos
Cuenta de Agua
Cuenta Electrica
Coleccion de Basura
Poliza de Seguro para la Casa
Limpieza de las alforbras o los muebles
Alquiler o Interes de su Hipoteca
Impuestos de Propiedad Personal
Productos de Limpieza
Tazas de Cable
Reparos Generales de la Casa
Impuestos de Bienes Raices

C. Desembolsos Capitales - Directos o Indirectos:

Hay que depreciar estos articulos usando especificaciones en el Formulario 4562 del IRS y deducirlos como directos o indirectos -- Cuando desaprecia articulos en el Formulario 4562 del IRS, hay qae especificar si el gasto es director o indirecto y nombrar el articulo--tal como cerca, columpio, refrigerador, horno de micro-ondas, televisor, VCR, maquina de escribir, calentador de agua, horno, su casa, y mejoramientos capitales.

Los computadores requieren atencion especial con respecto a la cantidad de timpo que se usan para el negocio. Tambien, los automoviles que se usan solamente para el negocio requieren atencion especial.

LA FORMULA DE TIEMPO Y ESPACIO - VEA EL FORMULARIO 8829 DEL IRS

Calcule la cantidad de tiempo que para cuidando a los ninos. Asegurese que anote el tiempo de preparacion en la manana y de limpieze en la tarde, tanto como el de ir de compras y asistir reuniones y capacitacion.

> Se levanta a las seis de la manana, el primer nino llega a las siete, el ultimo nino sale a las seis de la tarde, usted para otra hora limpiando la casa y manteniendo el papelco en la noche. Trabaja 5 dias pro semana o 13 horas al dia por 5 dias.
>
> 65 horas de negocio = 39% de su tiempo
> 168 horas pro semana

Ahora calcule la cantidad de espacion que se usa en su casa para el cuidado infantil midiendo el tamano en pies cuadrados. Muchas proveedoras usan la casa entera lo cual es totalmented aceptable.

> 1500 p.c. usado para el negocio = 75%
> 2000 p.c. en total en la casa

Para terminar -- Tiempo (39%) X Espacio (75%) = .75 X .39 = .29 or 29% [Este es el porcentaje (en este ejemplo--29%) que se aplica a los gastos compartidos o indirectos. Este porcentaje diferira de proveedora a proveedora y puede diferir de ano a ano con las misma proveedora.]

DEPRECIATION - El Formulario 4562 del IRS

Se el primer ano que uso su casa para su negocio due 1993, necesita llenar el Formulario 8829 del IRS. Otras cantidades de depreciacion se transfieren (el Formulario 4562, la linea 12 or 20, a la linea 13 del Formulario C.

EL IMPUESTO DE AUTO-EMPLEO - El Formulario SE del IRS

El impuesto de auto-empleo es igual al impuesto de seguro social para los empleados salariados. Si tiene usa ganancia neta de mas de $400 de su negocio de cuidado infantil (el Formulario C del IRS), se requiere que pague el impuesto de auto-empleo. El porcentaje cambia todos los anos, por eso necesitara consultar el boletin de instrucciones. El impuesto de auto-empleo se calcula y se paga con sus impuestos federales, pero hay que juntar el Formulario SE del IRS tambien. Los auto-empleados pueden deducir la mitad del impuesto de auto-empleo de sus ingresos como un ajuste a los ingresos (el Formulario 1040 del IRS, ls linea 26).

LOS IMPUESTOS ESTIMADOS - El Formulario 1040 ES

Si usted y su esposo son auto-empleados, o si usted es una soltera, el IRS espera que pague por adelantado sus impuestos federales cada tres meses. Como un

empleado de salario tiene impuestos retenidos, un auto-empleado necesita pre-pagar algunos de los impuestos que se deberan, usando el Formulario 1040 ES y sometinedolo 15 abril, 15 junio, 15 septiembre, y 15 enero. La regla es que si estima que debera mas de $500 en impuestos, tiene que someter calculos cada tres meses. [No necesita hacerlo hasta el segundo ano de su negocio.]

IDENTIFICACION Y CERTIFICACION PARA UN PROVEEDOR DE CUIDADO DEPENDIENTE - El Formulario W-10 del IRS

Los padres que quieren reclamar un credito para cuidado infantil en su formulario de impuestos federales le pediran que llen y firme el Formulario W-10. El formulario requiere su nombre, direccion, numero de seguro social o identificacion para impuestos, la cantidad pagada por los padres, y su firma. Despues de que los padres le hayan traido el formulario, **usted** debe llenario y hacer una fotocopia para sus archivos antes de devolverlo a los padres.

LOS IMPUESTOS ESTATALES Y LOCALES

Tiene la obligacion de someter los formularios de impuestos estatales si su estado tiene un impuesto en ingresos. Cierto formularios federales (tales come los Formularios C, 8829 y 4562) se pueden duplicar y juntar al formulario estatal en vez de pedir y linenar formularios similares del estado. En algunos estados y/o condados, es posible que sea responsable para pagar impuestos de propiedad personal y/o de tenecia de un negocio.

EL CREDITO DE INGRESOS GRANADOS (Earned Income Tax Credit), El Formulario EIC del IRS

Reclame su credito por ingreso de trabajo: un beneficio fiscal para gente que trabaja. Si usted vivio con un nino en 1996 y su familia gano menos de $25,078, usted puede recibir hasta $2,152. Si usted vivio condos o mas ninos en 1996 y su familia gano menos de $28,495, usted puede recibir hasta $3,556. Si con usted no vivio ningun nino en 1996 y gano menos de $9,500, y si usted tenia entre 25 y 64 anos, puede recibir hasta $323.

Mucho immigrantes documentados que estan empleados califican para el EIC, incluyendo a quienes tengan la tarjeta verde, refugiados y otras personas autorizadas legalmente a trabajar. Recibir el credito no afectara a su estado immigratorio.

Aun si no debe impuestos, pueda ser elegible por un reembolso al reclamar el credito. En general, los mas bajo sus ingresos, lo mas alto el credito. Hay que llenar el Formulario EIC y juntarlo a su Formulario 1040 or 1040A de IRS.

FORMULARIOS Y PUBLICACIONES PARA SU NEGOCIO DE CUIDADO INFANTIL EN EL HOGAR

El Formulario C - Ganancia o (Perdida) de Negocio - gastos incluidos en el formulario incluyen reparos de cosas separadas de la casa (juguetes, muebles, apartos no parte de la estructura, etc.), seguro para inquilinos, seguro de riesgo, y seguro de propiedad personal. No use el nuevo Formulario C-EZ or 1040 EZ del IRS.

El Formulario SE - Impuesto de Seguro Social para Auto-Empleo

El Formulario 4562 - Depreciacion y Amortizacion

El Formulario 8829 - Gastos de Su Casa - gasto incluidos en este formulario son servicios publicos, interes de hipoteca, seguro de casa, y reparos a accesorios de la casa (horno, sistema de canerias interiores, electricos, aparatos como parte de la estructura, etc.)

El Formulario W-10 - Certificacion de Proveedores de Cuidado Dependiente

El Formulario 1040 - Ingresos de Indivuduales

El Formulario EIC - Credito para Ingresos Ganados

El Formulario 1040ES - Impuestos Estimados para Individuos

El Formulario 1040X - Impuesto Enmendado

Publicacion 587 - El Uso de Su Casa como un Negocio

Publicacion 334 - Guia de Impuestos para Negocios Pequenos

Impuestos Estatales - Formulario Largo solamente

Formulario de Impuestos de Propiedad Personal Local y/o Ocupacion

RECURSOS ADICIONALES:

Para mas informacion detallada y respuestas a preguntas especificas, recomendamos que se refiera a las siguientes publicaciones.

<u>El Sistema Facil Para El Mantenimiento Del Papeleo Para Las Proveedoras De Cuidado Durante 1995</u>, Michele and Barry J Borros, ABC's and 123's Publishing. Llame al 1-800-233-8110 para incomfacion de pedir (disponsible en ingles y espanol).

<u>Basic Guide to Family Day Care Record Keeping</u>, and <u>Family Day Care Tax Workbook</u>, and <u>Contracts and Policies: How to Be Businesslike in a Caring Profession</u>, Tom Copeland, Red Leaf Press. Llame al 1-800-423-8309.

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